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HOUSE BILL 592 By  
Chumney

SENATE BILL 863  
By Ford J

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, relative to property taxes imposed upon housing development authorities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 8, is amended by adding a new section thereto, as follows:

Section 67-5-810. The property of a public housing authority is declared to be public property used for essential public and governmental purposes and not for purposes of private or corporate benefit and income. The portion of any housing project consisting of the eligible housing units therein that are occupied or reserved for occupancy by persons of low income is declared to be public property used for essential public and governmental purposes and not for purposes of private or corporate benefit and income. An authority and its property, as well as only that portion of any housing project subject to a private enterprise agreement consisting of the eligible housing units therein that are occupied or reserved for occupancy by persons of low income, shall be exempt from all taxes and special assessments of the municipality, the county, and the state and any political subdivision thereof, provided that, in lieu of such taxes or special

assessments, an authority may agree to make payments to the city or the county or any such political subdivision for improvements, services, and facilities furnished by such municipality, county or political subdivision for the benefit of a housing project, but in no event shall such payments exceed the estimated cost to such municipality, county or political subdivision of the improvements, services, or facilities to be so furnished.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.